III The Shashans

The Shashans, a Circassian tribe around Ras el Ain, complete the rural population of Jazirah. They migrated to Syria during the Ottoman rule and settled as mercenary soldiers. They are not good at agriculture and their lands are not fertile and do not compare with those of the Kurds.

IV. The Christians

The cities and commercial centers of Jazirah are an extra-ordinary mixture of races and creeds, but they are perhaps more than 80% Christian. This is true of Kubur el Bid, Qamishli, Amunda, Dirbassiya and Hassakeh.

As in the case of the Kurds, the Turkish massacres of the Christians in Mardin and the mountainous country around it started their migration to Jazirah. The Christians reached Jazirah without property or capital with which to begin. They settled mostly in the towns mentioned. A few of them already owned lands, others were traders and had previous relations with the Bedouins and Kurdish tribes. In a relatively short time the towns grew and flourished. The Christinas prospered from commerce before the expansion of agriculture. The tariff differences between Syria and Turkey on such important commodities as sugar, tea, and coffee and the intermingling of the Kurdish population on both sides of the frontier, made the Jazirah towns ideal for an extensive smuggling business.

The town Christians also served as middlemen to the merchants of Aleppo, who provided the money to lend to the Bedouins and Kurds or to buy the sheep, cattle and crops. This work on a commission or partnership basis coupled with the smuggling business proved profitable to the merchants of Jazirah, so that during the last twenty years many of them have become wealthy and have come to own real estate and agricultural lands and machinery without, however, abandoning their commercial activities with the merchants of Aleppo. In fact, the general prosperity and development of Jazirah has increased its need for the credit of Aleppo.

This picture of the Christian population of Jazirah is not complete without mention of the Christian peasants who migrated from the mountain villages and settled in the country. Though Christian and living in villages 100% Christian, some of them are Kurdish in their language, dress and customs. Some other villages are populated

6: Government of Syria--11 G-4 (no date) 1952 MD1 Syria MD1

CROPS AND AGRICULTURE IN JAZIRAH

I. Dry Farming

Dry farming is by far the most important activity of Jazirah. The first tractor and combine were introduced in 1936 by Shahine Bey Maluf of Zahleh. Before that time agriculture was the business of the peasants. The town inhabitants of Jazirah took no interest in it. The area cultivated was restricted to a few kilometers south of the railway line in what is called the Old Villages. The political troubles in 1936-37 and the low prices of wheat and barley before the War did not encourage capitalists inside Syria to invest their money in Jazirah. Furthermore, agricultural machinery was new to most people who did not understand its economics or how to run it.

a. Expansion in the Use of Machinery 1936-1952

The War doubled the price of wheat in its second year. The crop of 1940 was sold for LS 50-55 a ton at Aleppo. The French bought it for LS 120 in 1941. The Office des Cereales Panifiables (O. C. P.) fixed the price at LS 350 in 1943. During these years the dollar was available at the official rate of LS 2, 20 and importation of machinery from the U. S. was possible. The number of tractors increased to about 60 in the winter of 1943.

The crop of 1943 was exceptionally good and the O. C. P. imported some 50 tractors and a similar number of combines which reached Jazirah during the harvest season. The machines were first rented to the farmers and then sold to them. They represented the first large-scale importation of machinery to Jazirah.

Importation of machinery in the following two years became difficult as a result both of limited availability and of dollar shortage. But by the end of the War dollars became again available at the official rate and large numbers of tractors were imported in 1945 and 1946. The importation of agricultural machinery has become a steady and continuous flow in spite of the sharp rise in the dollar rates and the price of wheat, though below 1943, still makes large-scale exploitation profitable. Recently the Government through the Agricultural Bank has helped the farmers import and buy on

407 installments some 200 tractors of which the share for Jazirah was 71.
439 This brings the number of tractors and combines to about 400 and 300,
[684] respectively.
[452]

It appears that the present number of tractors and combines fulfills the demands of the Jazirah if no new region such as the Rad is
407 opened for cultivation. This is demonstrated by the fall in the rent
427 of agricultural machinery, for whereas rent of the combine cost 33% of the crop in 1936 and between 22-25% from 1940 to 1948, the charge dropped to less than 20% in 1949 and 1950 and to 15% in 1952. This last share leaves a moderate and reasonable profit to the combine owner and it will not be possible for him to reduce prices greatly.

The same is true of tractor rents. The average charge for disc plowing a dunum at present is LS . 90-1. 10 in the region of Qamishli. This is a competitive charge and cannot be much reduced.

Therefore, the conclusionis that the number of agricultural machines in Jazirah is likely to remain stable with importation every year to replace those machines which become obsolete.

b. Expansion in the Area Cultivated

311 The first regions to be tilled by tractors in Jazirah were Qamishli Amuda and Dirbassiya. When no more lands were availabie around them farmers after 1946 went east to Tal Koshak on the border of Iraq.

After 1949 all the region from Tal Koshak to Dirbassiya became cultivated and farmers had to move to less productive areas around the Rad, south of Tel Brak, and in Ras el Rin. At the present time, taking Tal Koshak on the east and 30 kilometers west of Dirbassiya as the western boundary and south to the Rad and to Hassakeh, there is not a single patch uncultivated on a two year basis. In the first two years the region between Ras el Ain and Rakka was opened for cultivation by Asfar and Najjar family. This year the first crop grown on lands midway between the two towns appeared. The yield of barley was 5 to 6 times the amount planted. Around Qamishli the barley yield was 10 to 12.

311 The region of Deirik and Ain Divar or Jasiratibn Amr was long
491 neglected despite its fertility because of impossible communications. No roads existed and the abundant rainfall stopped all transport for six months of the year. Within the last two years the Government

361 At present, agriculture extends in an unbroken line from the
311 Turkish and Iraqi borders south to the Rad and Hassaksh, and west to
365 Ras el Ain and midway to Rakka, Qamishli has all the amenities of a fair-sized city with sewage, electricity, asphalted roads, running water, places of amusement, and modern office buildings and houses. The other towns of Jazirah show similar progress but in a smaller way.

454 All this development could not have been achieved without extensive use of capital. It was stated that the original emigrants to Jazirah whether Christians or Kurds, brought very little capital with them. Whatever they have now was made in Jazirah and not brought from outside.

I. Credit to the Bedouin and Kurd

4521 The nearest commercial market to Jazirah where credit was
438 available was Aleppo. Aleppo merchants first provided goods shipped to the towns of Jazirah to be smuggled into Turkey. And Jazirah merchants working on a commission or partnership basis made good profits. Some of them specialized in lending money to the Bedouins and Kurds and for them, also, credit was available at Aleppo. They borrowed at an interest rate of 9% and lent at 35-50%. Most of them, however, did not lend money outright as a general practice, but sold goods and especially textiles, coffee and sugar to the farmer against bills maturing at harvest time. The exorbitant interest was added over the price of the goods, and the peasant accepted it as a somewhat higher price and did not consider it as interest. Theis system still prevails at the present time.

II. Credit to the Machinery Owner

4521 With the expansion of agriculture and the extensive use of agricultural machinery, credit in much larger amounts became necessary. The farmer using machinery needed two kinds of credit. He needed credit to pay for his machines, and seasonal credit to cover a part of his expenses for wages, seed, fuel, and general expenditures.

In the first years of the War, dealers in agricultural machinery supplied a part of the need by selling on an installment basis for a period of 20 months. But between 1943 and 1948 they demanded cash payment before delivery. In the last four years, they have renewed their credit facilities.

III. The Role of the Banque de Syrie

The Banque de Syrie in Qamishli provided a part of the need for seasonal capital. The amount of its credit increased yearly with the development of the region until it reached the sum of LS 7,000,-000 this year out of a total credit of LS 17,000,000.

But the influence of the Banque de Syrie in the economic life of Jazirah is not limited to the sum of LS 7 millions disbursed directly by its branch office in Qamishli to individual borrowers. Most of the remaining credit supplied to Jazirah by Aleppo finds its source in the Banque de Syrie.

In Qamishli the Banque extends two types of credit. Commercial credit in bills signed by the debtor and endorsed by two persons acceptable to the Banque, the last of whom should have a credit in his name free at the moment of discount for a sum at least equal to the sum discounted. The maximum duration of the bill is 90 days. The second type is agricultural credit. It used to be given against bills of the same type discussed above but renewable twice, but in the last five years a new and more elastic system was introduced whereby credit was given for a period of nine months for winter crops and six months for summer crops. The beneficiary has to sign an agreement with the Banque with two other persons as endorsers. During the period of the loan he can draw the amount agreed upon and refund it at the date of expiration.

The average amount allowed to the owner of an agricultural outfit is LS 15-20 000. The Banque does not worry about its loans because it usually accepts only the best signatures and it has always been able to recover its loans even in the worst years. Its interest rates are 9% while they are 7% in the other towns of Syria.

The seven million pounds credit of the Banque de Syrie is not given entirely to farmers and merchants for legitimate use. A good part of it goes to money lenders in Qamishli who lend it in turn to farmers at much higher rates reaching 24-60%.

IV. Credit by Aleppo Merchants

Since the Banque provides only about 45% of the credit needed, and that only to the best signatures, a large field is left to the private money lender. The merchants of Aleppo directly or through their agents in Qamishli provide the remaining percentage of credit. This credit is given in commercial bills for a duration of three

452 months but renewable to the harvest season. Depending on the condition of the crops and the financial situation of the borrower the interest varies from 18-36%. This Aleppo credit does not become available to the farmer however until after the month of March for winter crops when it becomes possible to judge the condition of the crop. In the last three years the firm of Ma'marbashi Bros. has opened an office in Qamishli for commerce and banking. Its loans are no different from the other private money lenders.

Many of the merchants who lend money are also wheat, rice and cotton merchants. They receive the produce of their debtors which they sell for a commission and thus deduct the amount of their loans. In this way they have a sort of collateral besides the bills and they also profit from the commissions.

V. Credit by the Agricultural Bank

4524 652 The Agricultural Bank of the Syrian Government does not play effectively the role for which it was designed. Aside from all the excessive formalities required by the Bank regulations which make its operations slow, cumbersome, and onerous to the debtor as explained in the report of July 15 1952 on "The Agricultural Bank," the amounts allotted by the Bank to Jazirah are infinitesimal in proportion to the needs of the area. The amount of credit extended by the Bank for long and short term loans between the years 1944-1949 has averaged LS 150,000 yearly, i.e., 1%, out of the total credit of some LS 15 millions needed by Jazirah. Further, the Bank can grant loans over LS 600 only against mortgage of land, and since 70% of t the lands of Jazirah have no title, the activity of the Bank is accordingly restricted. A new decree, number 9, dated June 26, 1952, permits the Bank to give loans to users of land as well as owners, and puts at the disposal of the Bank the sum of two million pounds for all Syria. The share of Jazirah in this sum will not exceed LS 200,000 which will not change in any degree the credit situation in the region.

VI Credit and its Relation to the Land Problem

452 The problem of credit in Jazirah is tied up to a great extent with the stabilization and legalization of the land problem. The Banque de Syrie and the Aleppo merchant evaluate the borrowing capacity of the farmer by the machines he owns, the area of his

452 plantation and the value of his lands. Lands without title have no commercial value though the farmer may use them without opposition. This is apparent at the present time when lands with title and undisputed boundaries sell at ten times the price of occupied lands without title A survey and cadastration of Jazirah lands with a rapid and form settlement of boundary disputed and the grant of property deeds will expand the borrowing capacities of Jazirah enonously and may tend to reduce the exorbitant rates of interest demanded by the money lenders. On such a trable basis, other banking establishments may be induced to open business in the region and relieve its dependance on the greedy money lender.

COMMUNICATION AND TRANSPORTATION

491 During the French Mandate there was not a single paved or as-
496 phalted road in Jazirah. In winter road communications were out between the different towns and villages and the only means of travel was by train which passed through the more important centers of Qamishli, Amuda and Dirbassiya For the rest of the year road transport became possible but expensive because of the absence of roads For this reason, the whole region of Deirik remained undeveloped until quite recently.

I. Roads Within Jazirah

491 The independent Government in Syria started building a
653 road in 1945 between Qamishli and Hassakeh which served at the same time as the arterial road to Aleppo. Though the distance between the two towns is only 85 kilometers, the funds alloted yearly for the road were so small that now, after seven years, only about 30 kilometers are asphalted and the rest is paved The maintenance does not keep up with the deterioration and the road is going to pieces. However, now at last, communication is assured in all weather while before trucks were stuck for days during the rainy season.

Another asphalted road joins Qamishli with Amuda, a distance of 30 kilometers. Here again deterioration is rapid. This road is to be projected another 30 kilometers to Dirbassiya and from there to Ras el Ain, a distance of 60 kilometers.

491 The road Qamishli-Hassakeh is extended for 50 kilometers south to Point 47 on the way to Deir Ezzor. This section is also asphalted.

mainly by motor-car. The trunk-roads, built for the most part since the establishment of French rule, are good, local roads satisfactory in summer but often very bad in winter; motor transport across the desert to Iraq is well organized by private companies. A trans-desert railway has been planned but not built. There are several civil airports.

The defective financial system is a further obstacle to economic development. Credit facilities are inadequate; foreign capital has been invested in public utilities but not in industry; long-term investment and constructive enterprise have been discouraged by the instability of the currency. Since 1924 the legal currency of the country has been the Syro-Lebanese paper pound, issued by the concessionary Banque de Syrie et du Grand Liban, of which the ownership is mainly French. It is a franc-exchange currency, one pound being equivalent to twenty francs; and it therefore shared in the fluctuations of the franc. In 1941, after the invasion of Syria and Lebanon by the Allied forces, it was officially linked to sterling. As an unstable and a paper currency, it has never won the confidence of the bulk of the population, who prefer, in spite of official prohibitions, to use the Ottoman gold pound or the sovereign as the standard of value in important transactions; since the relation between the value of the gold pound and that of the paper pound is constantly changing, problems are always arising in regard to the rate of repayment of debts calculated in terms of gold but actually paid in paper.

4

In commerce as in industry the old order is dying. So long as Syria and Lebanon formed part of the Ottoman Empire, their towns were centres not only for the internal trade of a great part of Ottoman Asia but also for much of its trade with Europe. The last generation has seen the disintegration of the Empire into a number of separate States and the creation of tariff-barriers and other obstacles to the free flow of goods; it has witnessed also the rise of the port of Haifa, and the consequent diversion of part of the transit-trade from Syria and Lebanon to Palestine. In addition, the decline of the traditional industries and the decrease in the demand for their products, the slow growth of modern industries and the absence of any considerable demand in the world for

648 Hama et Prolongement' (D.H.P.) company. Since 1925 this
471 company had had an agreement with the local Governments by which the latter made good any losses incurred by the company in the working of the railways, and received a progressive share of any profits which were made.

452 There were a number of French financial institutions with interests in the Mandated Territories. The bank of issue, the Banque de Syrie et du Grand Liban, had its headquarters in Paris, and of its 25½ million francs of share-capital over 20 millions were in French hands, while twelve out of its sixteen directors were French, the remainder being Syrians
[436] and Lebanese. By an agreement made in 1924 and subsequently renewed, the Banque was given the exclusive right of issuing Syro-Lebanese currency. It also performed the functions of an ordinary commercial bank. In addition, a great deal of commercial banking, mortgage and land-credit business was transacted by the Banque Française de Syrie, the Crédit Français d'Algérie et de Tunisie and the Compagnie Algérienne.

439 In 1938 France imported goods of greater value from Syria and Lebanon than did any other country except Palestine; and she exported to them goods of greater value than did any other country except Great Britain. The total value of her imports from them was 105,894,000 francs. The main articles which she imported were vegetables and fruits; she did not obtain from the Levant States any important raw materials for her industries. She exported to them 197,818,000 francs worth of goods, including large quantities of iron and iron goods, machinery, chemical products, precious metals and silk goods.[1]

471 The Mandated Territories were also important for French
649 commerce as providing a link in France's communications with her Far Eastern possessions: the civil air-ports were used as stopping places on the route from France to Indo-China. Moreover, one of the two pipe-lines through which the oil of Iraq is conveyed to the Mediterranean passes through Syria and Lebanon to reach the sea at Tripoli. This was of dual importance to France: first because French interests owned 23¾ per cent of the share-capital of the Iraq Petroleum Company, and secondly because France obtained between one-third and one-half of her total oil-supply from Iraq, by

[1] For detailed figures, see Ministère des Affaires Etrangères, *Rapport, 1938*, p. 203.

14:International Bank S-5 (1954)1955 MD1 Syria MD1

TABLE 2 Monetary and Banking Data

453

(Million £S) 436

	End of period				
				June	
	1951	1952	1953	1953	1954
Money supply					
1. Notes and coins (net)	236.1	234.7	271.5	249.0	298.5
2. Private and public enterprise deposits	58.9	76.0	104.8	97.8	123.4
3. Private and all public deposits	114.0	181.2	250.3	205.7	215.1
Total (1 and 2)	295.0	310.7	376.3	346.8	421.9
Total (1 and 3)	350.1	415.9	521.8	454.7	513.6
Monetary gold and foreign exchange					
Total at free rate	114.3	107.6	157.0	106.3	144.8
Percent of note issue	46.1	45.0	56.7	n.a.	n.a.
Deposits (sight and time)					
Public	111.9	128.3	188.9	149.4	181.0
Private	60.5	77.8	96.3	n.a.	115.0
Total	172.4	206.1	285.2	n.a.	296.0
Loans, discounts and advances	115.1	146.0	226.6	187.9	309.5

n.a. = not available.
SOURCE: Office des Changes.

In Syria, as in other underdeveloped countries of Asia, a considerable 452 volume of credit is extended outside the banking system by merchants, landowners and professional moneylenders. Some of these, particularly the merchants, rely in turn on regular bank credit. Most of the credit outside the banking system is extended in the agricultural sector of the economy and is a reflection partly of the inadequacy of such institutions as the Agricultural Bank and partly of the poor credit risk of the borrowers. Loans of this type generally carry high, usurious rates of interest.

Another feature of the credit system is the lack of any institution, outside the Agricultural Bank, for financing investment. There is no mortgage-financing institution for building, and no bank to provide investment capital for industry. The BSL has in the past extended investment credits to industry, but only with the guarantee of the government.

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piece of land for long and thus have virtually no incentive to improve the land. Many large landowners do little beyond collecting their share of the crop, leaving relations with their tenants in the hands of agents. They often stake their tenants to seed, livestock or implements or tide them over with food and clothing until the harvest comes in; and in the absence of adequate credit institutions they thus serve a useful function. In most cases, however, such assistance in cash or kind is given on terms which conceal extremely high rates of interest. In other cases credit may be furnished without interest by landlords conforming strictly to the Islamic code. It must be recognized also that some and probably a growing number of large landowners take a more active interest in the management of their land and have been instrumental in introducing new crops such as cotton. Progressively minded owners of large estates, when interested in improved crop rotation and methods of production, can become the means for more rapid advancement of agriculture.

The small peasant-owners and sharecroppers, who carry on most of the agriculture, produce primarily for their own consumption. Their output is little influenced by market prices, for they must produce to eat and with the balance they buy such simple necessities as they can. Most of them wrest a bare living from the soil and are chronically in debt to the merchant, the professional moneylender or the landlord. Unable to bring their produce to the market or to wait for better prices, they must accept the price offered to them locally for whatever they produce in excess of their own needs. They till their land with methods hallowed by time, and their equipment for the most part consists only of a pair of draft animals and a wooden, iron-tipped plow.

Any program of assistance to agriculture must obviously focus largely on these cultivators. It must show them how to improve their methods of production, provide them with better seeds, equipment and animals. Through the organization of cooperatives and the provision of adequate agricultural credit it should help to free them gradually from excessive dependence on the landlord, merchant and moneylender. It must also pay attention to tenancy problems with the objective of establishing greater security of tenure, providing more incentive to cultivators and achieving a more equitable sharing of the produce of the land.

5. *The uncertainty and confusion surrounding land titles is another obstacle to land improvement.*

The uncertainty surrounding land titles has been largely inherited

14:International Bank S-5 (1954) 1955 MD1 Syria MD1

wool or hair. Existing poultry breeds are largely nondescript and are characterized by very low productivity.

To carry out experiments in breeding and animal husbandry, the government should push on with its program to establish a central livestock station near Damascus.[17] Within a few years two sub-stations might also be opened at Palmyra and Deir ez Zor, or at Hama, Selemiye or Raqqa. There is unfortunately a shortage of Syrians trained in such work, and at the outset it would probably be necessary to employ a foreign farm manager. A minimum of £S 1.2 million will be needed over the next five or six years to meet the necessary costs.

For sheep, the aim should be to develop a more productive animal, and to test the feasibility of breeding more specialized types by successive top-crossing of selected indigenous animals with such imported breeds as Merinos and Merino-Fleisch. For cattle, the task would be to improve the existing Julani and Damascus types by progressive selection and perhaps by a certain amount of crossing with such imported pure breeds as Brown Swiss. In the case of poultry, which is so important to the small farmer, there might be a gradual introduction of exotic blood by the issue to farmers of cockerels of the chosen exotic breeds, raised in the government breeding farm. In this breeding program great care will have to be taken to maintain adequate records on the production and hardiness of successive generations. It will also have to be accompanied by good animal husbandry to bring out the full potentialities of each genetic strain.

VI CREDIT, COOPERATIVES, EDUCATION AND MARKETING

Agricultural Credit

An adequate volume of credit on reasonable terms is in many respects the key to an improvement in agriculture and animal husbandry. Farmers must have the means to buy better tools, livestock and seed and to introduce new crops. If settled on new land they must be provided with housing and the capital necessary to start production. Both peasant proprietors and tenant farmers must be helped to emancipate themselves gradually from excessive reliance on non-institutional lenders such as landlords and

[17] See Annex C, p. 312.

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merchants who often impose onerous terms and hold the whip hand over their debtors.

The magnitude of the credit problem is not easy to assess. The amount of existing agricultural indebtedness is unknown and future credit needs are correspondingly difficult to estimate. The government would be well advised to carry out a study of the outstanding volume, source and terms of indebtedness in a number of agricultural areas in order to acquire more dependable data as a basis for future action.

Credit at present comes from three sources: the Agricultural Bank, a government institution; the commercial banks; and landlords, merchants and professional money-lenders. The Agricultural Bank provides loans at 6% up to a maximum of £S 7,500 per borrower. At the end of 1953 its outstanding loans amounted to £S 42 million. The average size of loans—£S 264—indicates how the Bank must disperse its limited resources. Since well over half of its assets are represented by long-term and medium-term loans and its lending resources have been increasing rather slowly, the Bank has been able to make new credit available only at an average annual rate of a little over £S 6 million over the four-year period 1950-1953.

A few of the commercial banks, principally the Banque de Syrie et du Liban, have made seasonal production credit available in recent years. Such loans are extended to larger farmers with a good credit standing for a maximum period of 100 days and at an interest rate of 6% to 7½%. The total amount thus made available is probably between £S 10 million and £S 15 million. The banks, however, also finance agriculture indirectly by extending credits to dealers in machinery and irrigation pumps who in turn finance purchasers of such equipment at interest rates of 9% to 12% or even more.

Most farmers can get credit only from non-institutional lenders. Interest rates charged by these vary widely but are often extremely burdensome, ranging as high as 50% to 100%. Even larger farmers often have to rely on such sources and pay as much as 12% to 18% interest. The small peasant proprietors and tenant farmers are generally the poorest credit risk and the most exploited and therefore pay the highest interest rates.

The great need today is for more institutional credit. The regular commercial banks may be expected in time to provide more financing for agriculture. When and if properly supervised grain storage facilities are established in accordance with the mission's recommendations, the banks

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will be willing and able to lend to farmers on the security of warehouse receipts. Thus within five or six years we may expect the volume of bank financing to rise to between £S 20 million and £S 25 million. Elsewhere the mission recommends the establishment of a predominantly privately-owned and entirely privately managed Investment Bank. Such a bank would not only invest in industry, but also make loans to farmers for the sinking of wells, the installation of irrigation pumps and the acquisition of machinery. Its lending to agriculture might reach £S 10 million, but its loans would presumably be made to the larger, more creditworthy farmers.

It is to the Agricultural Bank that most farmers must look for an expansion of institutional agricultural credit.[18] For this reason the mission strongly recommends that the existing capital and reserves of the Bank, amounting to £S 22.1 million at the end of 1953, be increased to £S 85 million. This should be accomplished by converting the Bank's indebtedness to the government and the government Cereals Office, totaling £S 12.4 million, into a permanent capital contribution and by making an additional government contribution of £S 50 million to the Bank's capital in installments over the next five years. If appropriate facilities for the rediscounting of the Bank's short-term paper are arranged with the projected Central Bank or, in the interim, with the Banque de Syrie et du Liban, the Agricultural Bank should be able to increase the volume of its outstanding loans up to between £S 120 million and £S 130 million. If the volume of lending by all institutions expands as indicated, it will then be possible to meet the increasing credit needs of Syrian agriculture and probably relieve at least to some extent the farmers' bondage to non-institutional lenders.

The Agricultural Bank should continue to cater primarily to the small farmers. Some limit on the size of individual loans should therefore be enforced, although the present limit of £S 7,500 might well be raised to around £S 10,000 to £S 15,000, with the proviso that total loans above a certain figure, say £S 5,000, shall be no greater than one-quarter to one-third of all loans outstanding. This limitation would not apply to loans to cooperatives, thus giving farmers an additional incentive to band together for such purposes as the installation of an irrigation pump or the sinking of a well, which might require a larger investment.

[18] See Annex E, p. 340.

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عدد وقيمة القروض التي اسلفها المصرف الزراعي السوري ١٩٤٩ – ١٩٥٣

NUMBER AND VALUE OF LOANS ADVANCED BY THE AGRICULTURAL BANK, 1949 — 1953.

Table No. 10 جدول رقم ١٠

Mohafazat	Year	مجموع القروض Total loans		قروض قصيرة الاجل Short-term loans		قروض طويلة الاجل Long-term loans		السنة	المحافظة
		العدد No.	المبلغ بالوف الليرات Value L.S. '000	العدد No.	المبلغ بالوف الليرات Value L.S. '000	العدد No.	المبلغ بالوف الليرات Value L.S. '000		
Total	1949	9,396	2,208	9,116	1,818	282	1,390	١٩٤٩	المجموع
	1950	3,930	6,942	—	—	3,930	6,942	١٩٥٠	
	1951	6,456	10,551	—	—	6,456	10,551	١٩٥١	
	1952	24,374	14,327	19,847	10,640	4,527	3,687	١٩٥٢	
	1953	30,325	12,466	15,403	8,318	4,922	4,148	١٩٥٣	
Damascus	1949	1,326	648	1,254	258	72	390	١٩٤٩	دمشق
	1950	814	1,080	—	—	814	1,080	١٩٥٠	
	1951	936	782	—	—	936	782	١٩٥١	
	1952	33,700	1,447	2,062	689	1,618	758	١٩٥٢	
	1953	2,379	1,449	737	438	1,642	1,011	١٩٥٣	
Homs	1949	546	249	543	234	3	15	١٩٤٩	حمص
	1950	215	501	—	—	215	501	١٩٥٠	
	1951	342	528	—	—	342	528	١٩٥١	
	1952	543	728	317	418	226	310	١٩٥٢	
	1953	755	715	323	381	432	334	١٩٥٣	
Hama	1949	1,324	482	1,294	297	30	185	١٩٤٩	حماة
	1950	190	667	—	—	190	667	١٩٥٠	
	1951	354	525	—	—	354	525	١٩٥١	
	1952	2,595	1,487	2,411	1,289	184	198	١٩٥٢	
	1953	1,627	1,222	1,465	995	162	227	١٩٥٣	
Latakia	1949	265	274	234	169	22	105	١٩٤٩	اللاذقية
	1950	615	810	—	—	615	810	١٩٥٠	
	1951	754	793	—	—	754	793	١٩٥١	
	1952	2,690	2,043	1,849	1,193	841	850	١٩٥٢	
	1953	1,580	1,759	636	1,041	944	718	١٩٥٣	
Aleppo	1949	3,777	872	3,702	477	75	395	١٩٤٩	حلب
	1950	1,438	1,451	—	—	1,411	1,457	١٩٥٠	
	1951	3,212	1,774	—	—	3,212	1,774	١٩٥١	
	1952	8,224	4,509	6,988	3,369	1,236	1,140	١٩٥٢	
	1953	3,897	2,454	2,939	1,337	958	1,117	١٩٥٣	
Al-Hasakah	1949	112	144	67	4	45	140	١٩٤٩	الحسكة
	1950	176	1,173	—	—	176	1,173	١٩٥٠	
	1951	147	476	—	—	147	476	١٩٥١	
	1952	1,689	1,721	1,681	1,707	8	14	١٩٥٢	
	1953	1,387	1,695	1,352	1,660	35	35	١٩٥٣	

Source : The Syrian Agricultural Bank

المصدر : المصرف الزراعي السوري

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عدد وقيمة القروض التي اسلفها المصرف الزراعي السوري ١٩٤٩ـ١٩٥٣

NUMBERS AND VALUE OF LOANS ADVANCED BY THE AGRICULTURAL BANK, 1949 — 1953.

Table No. 10 (Concld.)

جدول رقم ١٠ (تتمة)

Mohafaza:	Year	مجموع القروض Total loans		قروض قصيرة الاجل Short-term loans		قروض طويلة الاجل Long-term loans		السنة	المحافظة
		العدد No.	المبلغ بالوف الليرات Value L.S.'000	العدد No.	المبلغ بالوف الليرات Value L.S.'000	العدد No.	المبلغ بالوف الليرات Value L.S.'000		
Deir-ez-zor	1949	275	126	275	126	—	—	١٩٤٩	دير الزور
	1950	94	587	—	—	94	587	١٩٥٠	
	1951	73	244	—	—	73	244	١٩٥١	
	1952	2,005	1,217	1,811	1,010	194	207	١٩٥٢	
	1953	2,607	1,570	2,351	1,308	256	262	١٩٥٣	
Suweida	1949	35	22	35	22	—	—	١٩٤٩	السويداء
	1950	62	140	—	—	62	140	١٩٥٠	
	1951	203	1,431	—	—	203	1,431	١٩٥١	
	1952	410	1,367	1,284	1,229	120	135	١٩٥٢	
	1953	196	221	1	21	195	210	١٩٥٣	
Dir'a	1949	1,756	391	1,721	231	35	160	١٩٤٩	درعا
	1950	253	533	—	—	253	533	١٩٥٠	
	1951	435	4,018	—	—	435	4,018	١٩٥١	
	1952	2,518	803	2,424	736	94	67	١٩٥٢	
	1953	5,897	1,871	5,599	1,137	298	234	١٩٥٣	

Source : The Syrian Agricultural Bank.

المصدر المصرف الزراعي السوري

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ment, and the investors, inexperienced in farming and unequipped to deal with adverse weather, lack of water, and heavy insect infestation, obtained low yields. Many lost their own capital and borrowed money. 454 241

Some investors, who realize that their only chance of coming out on their original investment is to continue their operations and even to make additional investments, plan to expand operations. Future investment naturally will depend on current earnings which will be determined by production and world market prices.

Farmers who may be in a position to continue investing in agricultural development out of their own capital, however, will be a small minority. The need for credit will be great.

Limited credit usually is given to tenants by the landlords during the spring and summer, but most farmers need more. In the past, additional production credit has been extended largely by the merchants and moneylenders at rates from 15 to 50 per cent annually. A few large landlords borrow money from banks at rates as low as 7 and 8 per cent, but only against excellent securities. Interest rates to the tenants who have less collateral are usually higher. Merchants are discontinuing the practice of buying cotton before the crop is made at prices from 50 to 70 per cent of the future market price because in many cases the farmers do not make enough cotton to fulfill their contract. 452 426 [455]

The government has sought to meet the need for credit by creating an agricultural bank, but the capital is limited and size and volume of loans are small. In 1951, for instance, the bank loaned a total of only $5 million to 57,000 cultivators. Private groups are said to have loaned as much on cotton in the Jezira alone. 652 452

LAND TENURE

Land available for cultivation is plentiful, but confused titles, excessive concentration of ownership, and insufficient or restricted use of the state domains hamper development. 423

The government has a major interest in agriculture and the tenure problem. The Ministry of Justice reports that 23 per cent of the farm land is owned by the state and in some of the larger farming areas the percentage runs as high as 69 per cent. There is also a heavy concentration of land in large units owned and operated by a few wealthy landlords, with 29 per cent of the farm land in farms over 250 acres. Most of the large farms in the old agricultural areas are operated on a tenancy system, but many of the farms now being established in the new areas of the Jezira are operated on a day-wage basis with mechanical equipment. This is especially true of wheat farms. A strong middle class of farmers owns about one-third of the land in farms from 25 to 250 acres, and many of them cultivate their land with the help of tenants. Only 15 per cent of the farm land is owned in lots less than 25 acres. 423 471 241 [427] [464]

In an effort to encourage landownership, stability of tenure, and an interest in improvement of the land, a law was passed recently under which state lands are to be sold on long-term, easy-payment plans to landless farmers with a limit of 123 acres to a farmer. The plan was designed especially to settle the nomads. The principal areas concerned are the state domains in the valleys of the Euphrates and Kabur Rivers, which were un- 425 471 311 [466]

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COTTON IN SYRIA

Another significant aspect of the land tenure problem is the financial arrangements between the landlords and tenants. 427 241

Although there are many variations throughout the country, there are three basic contracts.

In the first, where water is available by gravity flow for irrigation and the landowner furnishes only the land, he gets 50 per cent and the tenant gets 50 per cent of the gross yield. In the second type of contract, where the tenant installs pumps and operates them at his own expense and the landlord furnishes the land only, he gets 33⅓ per cent and the tenant gets the rest. In the third case, where the landowner furnishes only the land and the tenant drills artesian wells at his own expense, the landowner gets only 25 per cent of the gross yields. There are variations depending on the crops produced and on who furnishes seed, fertilizer, and equipment. With the growth of mechanization, there is a rising tendency for landowners to prepare the seed beds themselves with large tractors and to take a large share of the produce.

With the advent of mechanization, there is also a noticeable tendency to wage-crop arrangements, particularly in the remote areas like the Jezira where the population is sparse and where the only feasible arrangement for picking cotton is the employment of nomads by the day. 464 241

The greatest concentration of small cultivators who own and operate their own farms is in the older farming areas in the southern part of Syria around Damascus. Around Aleppo the farms are larger in size and owner-operators are fewer in number. 471 241

MECHANIZATION

Mechanization is changing rapidly the primitive practices which still dominate Syrian agriculture. The number of tractors has increased from 200 to almost 2,000 and more than 700 combines are in operation. 241 407

Most of the mechanical equipment is in the Jezira and the agricultural areas around Aleppo. Approximately half the tractors are being used in cotton areas.

To encourage further mechanization the government plans to extend loans to farmers on a five-year basis to finance the purchase of agricultural equipment. So far most of the equipment has been bought privately and for cash. (452)

The first few years have been difficult for the tractor farmers because of the lack of trained operators and the lack of adequate repair facilities, especially spare parts. Now the large manufacturers' agents are establishing modern service stations, repair stations, and mobile repair units. Consideration is even being given to organizing operator training programs.

RESEARCH AND EDUCATION

All of the agricultural missions stress the need for improvement in basic research and educational programs. The United States-Syria Agricultural Mission has outlined a complete program for agricultural training, research, and extension. Some of the recommendations already have been adopted, such as the establishment of a separate Department of Agriculture. Agricultural 654